# GOVERNMENT OF INDIA
# PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
# LOK SABHA

UNSTARRED QUESTION NO:5616
ANSWERED ON:29.08.2001
COLLECTION OF SECURITY DEPOSIT BY KENDRIYA BHANDAR
RENU KUMARI SINGH

**Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:**

(a) whether the Kendriya Bhandar a Multistate Cooperative Society is collection security deposits @ 25,000/- for one item and Rs. 50.000/- for two items or more from its registered suppliers;

(b) if so, whether it is a fact that DGS&D which is a purchase policy maker and adviser on the Government purchases are not collecting any security deposit from their registered suppliers;

(c) whether DGS&D is asking for Earnest Money Deposit (EMD) from unregistered suppliers participating in ad hoc tenders but Kendriya Bhandar is asking for EMD from its registered suppliers in the case of tenders called for deciding rate contracts;

(d) if so, the reasons therefor;

(e) whether there is no sales guarantee given by the Kendriya Bhandar in consonance with the security deposit asked; and

(f) if so, whether there is any proposal to ask the Central Registrar, Multistate Cooperative Societies to go into the whole aspect of taking security deposit by the Kendriya Bhandar?

## Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, AGRO AND RURAL INDUSTRIES, MINISTER STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PENSIONS AND PENSIONERS WE OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE II DEPARTMENTS OF ATOMIC ENERGY AND SPACE. (SMT.VASUNDHARA RAJE)

(a): Yes, Sir.

(b): Yes, Sir. However, against adhoc contracts security deposit (Performance Security) at the rate of 10% of the contract value is obtained from all suppliers irrespective of their registration status.

(c): Kendriya Bhandar requires all participants in open tenders to provide EMD. This is as per provisions of General Financial Rules.

(d)&(e): The purpose of asking Earnest Money Deposit is to ensure that the suppliers do not withdraw their offer after opening of the tenders. This deposit has no relevance to the sales guarantee.

(f) Does not arise in view of reply to (d) & (e) above.